INSTRUMENT PREPARED BY VIRGINIA GAS AND OIL

ORDER RECORDED UNDER CODE OF VIRGINIA SECTION 45.1-361.26

VIRGINIA:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:

RANGE RESOURCES - PMI

VIRGINIA GAS AND OIL BOARD VGOB DOCKET NO.: 89-0126-0009-34

RELIEF SOUGHT:

MODIFICATION OF THE OGCB NORA GAS FIELD RULES ORDER, ENTERED MARCH 26, 1989, AS AMENDED, TO ALLOW MORE THAN ONE COALBED GAS WELL TO BE DRILLED IN THE UNITS INDETIFIED ON EXHIBIT "A" HERETO

### **LEGAL DESCRIPTION:**

DRILLING UNITS: AD-70, AD-72, AE-70, AE-71, AE-72, AF-70. LOCATED IN BUCNANAN COUNTY, VIRGINA; SEE ANNEXED EXHIBIT "H2"

# REPORT OF THE BOARD FINDINGS AND ORDER

- 1. <u>Hearing Date and Place:</u> This matter came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on **September 16, 2008** at the Southwest Virginia Higher Education Center Campus of Virginia Highlands Community College, Abingdon, Virginia.
- 2. <u>Appearances:</u> James E. Kaiser of Wilhoit and Kaiser, appeared for the Applicant; and Sharon B. Pigeon, Assistant Attorney General was present to advise the Board.
- 3. <u>Jurisdiction and Notice:</u> Pursuant to Va. Code §§45.1-361.1 <u>et seq.</u>, as amended, the Board finds that it has jurisdiction over the subject matter. Based upon the evidence presented by the Applicant, the Board also finds that the Applicant has (1) exercised due diligence in conducting a meaningful search of reasonably available

sources to determine the identity and whereabouts of each gas and oil owner, coal owner, or mineral owner, or in the case of conflicting claims to the ownership of the coalbed methane gas, each person identified by Applicant as a potential owner of the coalbed methane gas underlying the area described at paragraph 7.h below and in Exhibit "B" attached hereto; and (2) has given notice to all parties so identified (hereinafter sometimes "person(s)" whether referring to individuals, corporation, partnerships, associations, companies, businesses, trusts, joint ventures or other legal entities) and entitled by §§ 45.1-361.19 and 45.1-361.20, Virginia Code, as amended, to notice of the Application, and (3) that the persons listed in the Notice of Hearing are the persons so identified by the Applicant. Further, the Board has caused notice of this hearing to be published as required by § 45.1-361.19.B., Virginia Code, as amended. Whereupon, the Board hereby finds that the notices given satisfy all statutory requirements, Board rule requirements and the minimum standards of State due process.

- 4. Amendments and Dismissals: None.
- 5. Relief Requested: (1) Modification of the Nora Gas Field Rules to allow more than one coalbed methane gas well to be drilled within each of the Nora Field Drilling Units identified above and in **Exhibit "H2"** attached hereto; and (2) for an administrative order providing that additional well permits may be issued in the Nora Field after the Application is filed and while it is pending.
- 6. Relief Granted: Available data and the evidence adduced at the hearing support Applicant's position that the production from the pool underlying the Nora Coal Bed Gas Field Drilling Units in question would be enhanced and benefit from in-field drilling; accordingly,
  - a. With regard to the Drilling Units described above and in **Exhibit "H2"** hereto, the Nora Coal Bed Gas Field Rules Order, OCGB order entered of March 26, 1989, is hereby amended to allow the Board's Designated Unit Operator in Drilling Units pooled by Board Order and the Well Operator/Permittee in voluntary Drilling Units to drill a total of two (2) wells, said total to include any previously permitted well(s), within the units affected by the Application and this Order;
  - b. In the event that an additional coalbed methane gas well(s) permitted and drilled after the entry of this order is located within the drilling window(s) of a Nora Coal Bed Gas Field Drilling Unit affected by this order, the production therefrom shall be solely attributed to and allocated to the Nora Drilling Unit within which the wells are located.
  - c. In the event a second well is proposed that is to be located outside the drilling window of any Nora Unit affected by this order and a permit application is submitted to the Division of Gas and Oil seeking such location exception, the Inspector shall assess the permit as follows:

- (i) If a 58 acre square with the proposed well at its center lies entirely within Nora Drilling Units which are voluntary in nature and are not subject to existing pooling order, the Inspector may grant or deny the location exception on a case-by-case basis according to standard procedures and provisions of the Nora Order which allow wells to be drilled outside the drilling windows; or
- (ii) If a 58 acre square with the proposed well at its center lies entirely or partially within any Nora Drilling Unit(s) which is subject to existing pooling orders, the Inspector shall refer the permit application to the Board for its recommendations concerning correlative rights considerations, modification of pooling orders, and escrow provisions. Alternatively, the Unit Operator may present a pooling proposal directly to the Board prior to filing a permit application. No permit under this paragraph (ii) shall be issued until the Board has acted on the matter.

# 7. Special Findings:

- a. Applicant's proposed field rule modification is not an unreasonable or arbitrary exercise of the owner's right to explore for or produce gas;
- b. The Applicant's proposal would not unreasonably interfere with the present or future mining of coal or other minerals;
- c. The acreage to be embraced in the Drilling Units affected by and/or created by this Modification Order shall be as set forth above and in Exhibit "H2" attached hereto.
- d. The formations subject to this Modification Order are described in the OGCB Order entered March 26, 1989, as amended.
- e. The boundaries of the Drilling Units are the same as heretofore established by the OGCB Order entered March 26, 1989, as amended.
- f. Unit Operator's production simulations indicate that drilling of an additional well in each Unit could facilitate the recovery of an additional 250,000 MCF of gas per Unit within ten (10) years of drilling.
- g. The boundaries of any Drilling Units crated subsequent to this Modification Order shall be according to paragraph 6.c.ii. above and as defined by Board action specific to individual units.
- h. The acreage subject to this Modification Order is depicted in Exhibit "H2" attached hereto:

- i. Having considered the evidence presented, the Board found no reason to establish any allowable production rates for the wells contemplated by this Modification Order;
- j. Except as herein specifically modified, the proposed Drilling Units in Exhibit "H2" shall be developed and produced in compliance with the OGCB Order entered on March 26, 1989 regarding the Nora Gas Field Rules, as amended.
- k. This Modification Order shall be effective as of the date of the hearing, to wit: September 16, 2008.
- 8. <u>Conclusion</u>: The relief granted hereby will assist in enhancing production from existing wells, will assist in more efficiently recovering coalbed methane gas from the area in question, prevent waste by more effectively extracting the resource, and will continue to protect the correlative rights of all owners and claimants. Therefore, the relief and all terms and provisions set forth above be and are hereby granted and IT IS SO ORDERED.
- 9. Effective Date: September 16, 2008.

| DONE AND EXECUTED this day of, 2014, by a majority of the Virginia Gas and Oil Board.   |
|---|
| Bradley Lambert, Chairman   |
| DONE AND EXECUTED this 7th day of Tuly, 2014, by a majority of the Virginia Gas and Oil Board.  |
| Rick Cooper Principal Executive to the Staff Virginia Gas and Oil Board   |
| STATE OF VIRGINIA<br>COUNTY OF RUSSELL:   |
| Acknowledged this   |
| Sarah J. Gilmer Sarah J. Gilmer   |
| Sarah J. Gilmer  My Commission Expires July 31, 2017  My Commission Expires July 31, 2017  REG. #262946  MY COMMISSION  EXPIRES  T-31-1  WWFALTH OF |

|  | AB-66<br>AC-66<br>AF-66<br>AF-66   |
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|  | AB-67<br>AC-67<br>AF-67<br>AH-67   |
|  | AB-68<br>AC-68<br>AF-68<br>AF-68   |
|  | AB-69<br>AC-69<br>AF-69<br>AH-69   |
|  | AB-70 AC-70 AC-70 AG-70 AH-70  |
|  | AB-71 AB AC-71 AC AC-71 AC AF-71 AG-71 AG- |
| PROPOSED HAYS                              | AB-72<br>AC-72<br>AF-72<br>AF-72<br>AH-72  |
| 1   2   1                                  | AB-73<br>AC-73<br>AF-73<br>AH-73   |
|  | AB-74<br>AC-74<br>AC-74<br>AF-74<br>AF-74  |
| IT A<br>ISED DENSITY D<br>DATE: 8-08-2008  | AB-75 AC-75 AC-75 AF-75 AH-75  |
| INCREASED DENSITY DRILLING DATE: 8-08-2008 | AB-76<br>AC-76<br>AF-76<br>AF-76   |
| SILLING                                    |  |

# 140001188

#### Exhibit

ALPHA Land & Reserves, LLC Steve Smith 5703 Crutchfield Dr. Norton, VA 24273

WBRD LLC John Mooney P.O. Box 2827 Huntington, WV 25727

ACIN LLC John Mooney P.O. Box 2827 Huntington, WV 25727

Maxxim Shared Services, LLC, 5703 Cruthchfield Dr., Norton, VA 24273, ATTN: Steve Smith

Chesapeake Appalachian LLC, P.O. Box 6070, Charleston, WV 25362, ATTN: Stan Shaw

Samuel J. Breeding, Jr., 2344 Louita Avenue, Kingsport, TN 37620

Anthony W. Owens, 3210 Noah's Drive, Manchester, MD 21102

Bill & Annice Owens, PO Box 58, Birchleaf, VA 24220

Brenda & William Mooney, 1631 Spencer St., Ferndale, MI 48220

Brenda and Bennett Richardson, 3211 Piney Ridge Drive, Pamplin, VA 23958

Brian Owens, Address Unknown

Larry K. Owens, 2536 Bear Branch Road, Vansant, VA 24656

Sharon Slone, 706 Edgewood Ave, Thomasville, NC 27360

Debra McClanahan, 2474 Bear Branch Road, Vansant, VA 24656

Cathy (Kathy) Owens, Address Unknown

Clinton Arrington, C/O Carol Sue Edwards, Agent and Attorney in Fact, 18233 Westwood Drive, Abingdon, VA 24211

Craig Childress, 441 Rainbow Drive, Garden City, SC 29576

Crystal Malone, 411 Evans Road., Marion, OH 43302

Danny & Stephanie Owens, 2551 Deerwood Acres Drive, Saint Augustine, FL 32084-8313

Debbie & Donnie Stanley, 1395 Rocklick Road, Birchleaf, VA 24220

DeWayne & Gernia Owens, Rt. 2 Box 535, Haysi, VA 24256

Diana Perrigan, Address Unknown

Donna & Chris Comer, 242 Hackney Ridge, Birchleaf, VA 24220

# 140001188

#### Exhibit

Donna Owens, 2885 East Midway Blvd., Lot 329, Denver, CO 80234

Donnie Lee & Linda Owens, PO Box 191, Birchleaf, VA 24220

Doris Ann Owens, 678 Low Bridge Road, Iron Station, NC 28080

Eddie & Deborah Owens, 42 Woodlawn Drive, Palmyra, VA 22963

Edith Louise Ray, 2101 Euclid Avenue, Boothwyn, Pa 19061

Eva Owens Bonk or unknown heirs, Address Unknown

Farrell D. & Millie Owens, Box 1246 New Garden Road, Honaker, VA 24260

Flossie O. & Swanson Deel, PO Box 9, Prescott, MI 48756

Frances Johnson, 40875 Maravian Drive, Clinton Township, Mi 48036

Fred Viers, PO Box 731, Haysi, VA 24256

Gay & Edmond Edwards, PO Box 1683, Clintwood, VA 24228

Geneva & Danny Yates, Rt.2 Box 9025, Cedar Bluff, VA 24609

Heather Reed, 190 Hane Ave., Marion, OH 43302

Howard R. Purdy, 1441 Southeast 23rd Avenue, Gainsville, Fl 32641

Jack & Alivia Owens, 5152 Big Ridge Road, Haysi, VA 24256

Jack Woodard, 12018 Deator Road, Bristol, VA 24202

Jackie Owens, Rt. 2 Box 122, Haysi, VA 24256

Jason Malone, C/O Heather Reed, 190 Hane Ave., Marion, OH 43302

Jim (Jimmy Neale) Sutherland, 5406 East State Route 56, Hazelton, Indiana 47640

Joann O. Lamb, 6909 Ridge Road, Marriotsville, MD 21104

John T. Owens, 4033 Rupp Road, Manchester, MD 21102

Joyce & Gary Vance, 515 Vance Mt. Farm Road, Haysi, VA 24256

Joyce Irene Owens, Rt. 2 Box 260, Vansant, VA 24656

Joyce Mason, 1791 State Route 61, Marengo, Ohio 43334

Jynette & Rick Fletcher, Rt. 2 Box 417, Honaker, VA 24260

Karen & Avery Boyd, PO Box 274, Davenport, VA 24239

# 140001188

# **Exhibit**

Kathy Joe Shoemaker, 6154 Dell Cano Drive SE, Grand Rapids, Mi 49546

Ken Allen Owens, 3019 Regal Oak Court, Manchester, MD 21102

Kent & Marsha Robinson, 3463 Sandlick Road, Birchleaf, VA 24220

Kevin Owens, Address Unknown

Laura & Robert Breist, 529 Breist Hill, Birchleaf, VA 24220

Lois Marie Viers, 209 Amber Lane, Bristol, TN 37620

Lonzie Carl Owens, PO Box 801, Cedar Bluff, VA 24609-801

Loreen Powers, 8768 Hidden Valley Road, Abingdon, VA 24210

Louie & Penelope Owens, 2864 Union Church Road, Lincoln, NC 28092

Michael Phillips, Rt. 2 Box 76A, Haysi, VA 24256

Myrtle V. Owens, 6304 Old Jonesborough Road, Bristol, TN 37620

Nancy Owens, 107 Bean Street, Interlachen, FL 32148-8232

Norma and Danny Morcom, 297 Creekside Drive, Arnoldsville, GA 30619

Orbie Owens Estate, C/O Linda Rayfield, 134 Chikasaw Drive, Shelby, NC 28152

Patricia & Dale Turner, 1930 Log House Court, Mt. Airy, MD 21771

Patricia Boyce, 50 Oakland Circle, Lynchburg, VA 24502

Paul & Alice Owens, 420 Aaron Drive, Birchleaf, VA 24220

Paul Matney, Rt. 1 Box 436, Vansant, VA 24656

Paul Sutherland, 4365 Rockspring Road, Ringgold, VA 24856

Phillip Owens, 425 Owens Road, Marion, OH 43302

Reba O. & Boyd Jones, 218 Dogwood Lane, Palatka, FL 32177

Rita & John Yates, 3610 Annewakee Road, Douglasville, GA 30135

Robert Sutherland, 2240 State Route 61, Marengo, Ohio 43334

Roby & Anna Rae Owens, 1320 Aaron Drive, Birchleaf, VA 24220

Rosa Owens, 2479 High Ridge Lane SE, Grand Rapids, MI 49546-7353

Roy Lee Owens, 114 Friendship Lane, Mt. Hope, WV 25880

Ruby Compton, 27043 Lorenz St., Madison Heights, MI 48071

Ruby Sutherland Viers, Rt 1 Box 485-A, Vansant, VA 24656

Ruth Owens, Address Unknown

Steve & Hetser Gail Owens, 75 Baber Road, Cumberland, VA 23040

Susan Owens, Address Unknown

Teddy C. Owens, Sr. & Mildred Owens, 123 Davenport Road, Cumberland, VA 23040

Terry L. Owens, Box 577, Vansant, VA 24656

Thelma Joyce Branham, Route 2, Box 232, Vansant, VA 24656

Theresa Mullins, Address Unknown

Thomas Roger & Belinda Owens, 1129 Priest Fork, Bee, VA 24217-4522

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Ural F. & Edna Childress, 793 Ratcliff Lane, Cedar Bluff, VA 24609

Vertie Owens Yates, C/O Richard Owens, Rt. 2 Box 462, Haysi, VA 24256

Vickie Owens C/O Donna Comer, Gaurdian 242 Hackney Ridge Birchleaf, VA 24220

Virgil F. Owens, 217 Rutledge Street Bristol, TN 37620

Wilma O. Owens, 207 East Amherst St. Sterling, VA 20164

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RECORDED IN THE CLERK'S OFFICE OF
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JULY 17, 2014 AT 11:11AM

BEVERLY S. TILLER, CLERK RECORDED BY: GGB